

# STONEBRIDGE TAX INCREMENT FINANCE DISTRICT PROJECT PLAN

Prepared by the Redevelopment Authority of the County of York

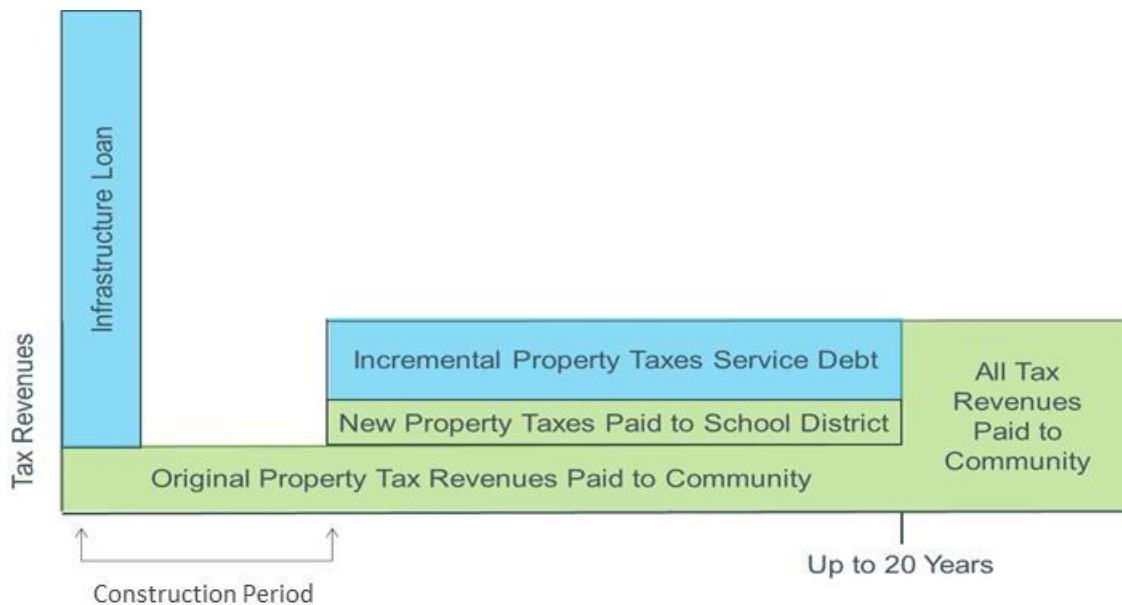
## I. INTRODUCTION

This Project Plan for the proposed Stonebridge Tax Increment District (hereinafter referred to as the "Stonebridge TIF District," the "District" or the "TIF District") in the Township of Hopewell, York County, Pennsylvania (the "Township"), has been prepared by the Redevelopment Authority of the County of York (the "Authority"), in accordance with the Pennsylvania Tax Increment Financing Act ("Act"), for consideration by the Township, the South Eastern School District (the "School District") and the County of York (the "County").<sup>1</sup> The Authority proposes that the District be created by appropriate action of the Township taken in accordance with said Act.

The members of the TIF District planning committee have been duly appointed by resolution of each taxing jurisdiction affected by the TIF District.<sup>2</sup> The members are: Darrell Auterson, representing the County of York; Rona Kaufmann, Ed.D., representing the South Eastern School District; Shannon Wolf, representing Hopewell Township and Austin Hunt, representing the Redevelopment Authority of the County of York and serving as Chair of the Committee.

### **Tax Increment Financing:**

Tax Increment Financing ("TIF") is a public financing method used to subsidize redevelopment, economic development, infrastructure, and other projects. When a private investment results in an increase in tax revenues, this new tax revenue becomes a "tax increment". The tax increment can then be used to pay principal and interest on a loan. The proceeds of the loan can be used to finance various eligible project costs. After a period of time, usually 20 years, the loan is paid off and all previously captured taxes resume passing to the taxing jurisdictions. The chart below is a simplified illustration of how this process works with property tax revenues over time.



<sup>1</sup> For a summary of the Pennsylvania Tax Increment Financing Act, please see Exhibit I.

<sup>2</sup> For copies of the appointment resolutions and documentation, please see Exhibit II.

**Purpose and Intent:**

The objective of this Project Plan and the establishment of the TIF District are to eliminate economically undesirable land uses and to promote the economic well-being of the Township through the establishment of an industrial facility on vacant and underutilized lots in the Township zoned for such uses. Implementation of the TIF District will be accomplished by applying a portion of the incremental property tax revenues resulting from the increase in property values within the TIF District to offset costs associated with the construction of certain industrial facilities of the Developer (hereinafter defined) in the Township. No incremental tax revenues other than incremental property tax revenues are to be contributed by the County, the School District or the Township to the TIF District.

The Township will create the TIF District. The County, the School District and the Township will each participate in the TIF District by allocating incremental tax revenues to the Authority which will serve as the issuer of a tax increment note or bond to finance the payment of various eligible project costs, as more fully described in this Project Plan.

**Objectives:**

This Project Plan has the following objectives:

- Encourage the commercial and economic development of the vacant land currently existing within the proposed TIF District.
- Create opportunities and financial incentives to encourage redevelopment efforts that will benefit the community.
- Create employment opportunities for York County and Hopewell Township residents.
- Retain an important employer within the region.
- Increase the tax base for the Township, the County and the School District while providing a financial incentive to the developer of the Project.

**II. EXECUTIVE SUMMARY AND PROJECT DESCRIPTION****Project Overview:**

Johnson Controls (NYSE: JCI) (the "Developer") is a Fortune 500 diversified industrial company with \$40 billion in revenues and 162,000 employees at over 1,300 locations around the world. JCI currently runs their performance-test laboratories for commercial air-conditioning equipment at the Grantley test lab in York, PA. The Grantley plant employs 440 engineers and workers with an average salary of \$88,000 per year and is an economic hub for the region.

The Grantley test lab was originally built in 1951 and is at the end of its useful life. Therefore, a new site is being sought that can accommodate the new modern test lab with growth potential of the business. JCI's long term strategy is to build two global engineering and test centers with equivalent test lab capacity and capabilities. One center is already located in Wuxi, China and the other will service the North American market. Potential locations for the North American center are at the Stonebridge Business Park in Hopewell Township of York County, PA and at a site in Baltimore County, MD.

The new location will be home to the 440 engineers currently working at the Grantley test lab. The project is expected to cost over \$148 million with about \$75 million dedicated to the purchase of testing lab equipment and over \$50 million allocated towards building a new Global Engineering building and a Test Laboratory building. The remainder of the costs are associated with site specific and infrastructure development such as bringing high voltage power to the site and preparing the land for development. It is expected to take up to five years to before the Test Lab is at full capacity. Detailed maps of the current site and the proposed use of the site can be found in Exhibit III and Exhibit IV. Hereinafter this description will be referred to as the “Project” the “North American Test Lab” or the “Test Lab”.

Johnson Controls North American Test Lab	
• Location:	York County, PA or Baltimore County, MD
• 440 direct permanent jobs	
• \$88,000 average salary + benefits	
• 374 construction workers	
• 300,000 square feet of lab and engineering space	
• \$148 million capital investment	
• \$38 million Test Laboratory building	
• \$75 million laboratory equipment	
• \$15 million Global Engineering building	
• \$20+ million land acquisition and infrastructure	
• Site Selection Q4 2012	
• Site infrastructure:	
• 30MW electric demand	
• 60 contiguous acres	
• 20,000 dekatherms of natural gas/month	
• 350,000 gallons/day potable and wastewater	
• Bandwidth of three T1 lines	

#### Summary of Investment and Economic Impact

#### Need for Incentives:

JCI is currently performing due diligence on two sites in Pennsylvania and Maryland to determine which location best meets their long term needs. JCI is considering locating their North American Test Lab at either the Stonebridge Business Park in Hopewell Township or in the Hunt Valley region of Baltimore County. Factors that are being considered include the availability of a suitable workforce, an accounting of all costs associated with each site, taxes and incentives. When comparing these two locations, it becomes clear that the Stonebridge Business Park has been zoned for industrial use but has remained vacant since the early 1970's and remains so while all but a few similarly zoned sites in Baltimore County have been successfully developed.

The TIF will help to reduce the costs of bringing the project to PA and thereby help to induce JCI to locate the test lab at the Stonebridge Business Park. One of the reasons for this disparity has to do with the cost of doing business in each location. Due primarily to differences in tax rates, price of utilities and the costs of adding infrastructure to the Stonebridge site, it will cost over \$1 million more each year to operate the Test Lab in Hopewell Township than it would to locate and operate the facility in Baltimore County. A TIF reduces these costs by providing financing that can cover the costs of preparing the site's infrastructure and enabling JCI to make a financially justified decision to locate in Pennsylvania.

### **III. FISCAL EFFECTS ON THE LOCAL ECONOMY AND MUNICIPAL TAX BASE**

**Township and County Taxes:**

Should JCI locate their North American Test Lab in Hopewell Township the region will experience an increase in its tax revenues. For example, over the course of the five-year construction period, over 375 construction jobs could be directly created and could generate over \$20 million in annual payroll. This is expected to create \$2.9 million in local taxes and over \$4 million in taxes state-wide.

Long term, the direct employment of 440 high-paying jobs at the Test Lab could generate an estimated \$38 million in annual wages in the area. These workers will be spending a portion of their salaries day-in and day-out in the community and this will directly benefit local businesses. Furthermore, these direct construction and engineering jobs will have an impact on all aspects of the economy and this will create indirect jobs in other industries in the area.

A full analysis of the economic impact is found in Exhibit VII.

**South Eastern School District Tax & Revenue Benefits:**

This Project is anticipated to generate over \$9 million in net new tax revenues to the school district over the next 25 years. Without the Project, revenues to the school district would continue at around \$15,000 per year.

In addition, JCI has agreed to make voluntary payments of \$200,000 to the South Eastern School District in years 2013, 2014 and 2015. This additional \$600,000 will help to cover the School District's budget shortfall in the near term before the project is completed and begins generating tax revenue benefits. These voluntary payments to the South Eastern School District are mentioned here in the TIF Plan but are outside the scope of the TIF.

The South Eastern School District receives state aid each year. The amount of state aid is based on a number of factors including the property assessments in the district and the personal income of the residents in the district. The increase in assessment that results from this project will reduce the state aid by an estimated \$300,000 to \$350,000 per year beginning in 2018. This TIF Plan accounts for this decrease in state aid and has taken measures to increase the school district's revenues by an estimated \$400,000 per year. This increase in tax revenues exceeds the anticipated decrease in state aid.

Tax benefits include:

- Generates an immediate \$600,000 in voluntary payments to the South Eastern School District
- Will not increase property taxes
- Adds over \$9 million in new tax revenues for the school district (see chart below)
- Not expected to add new students to the school district (employees are expected to commute to the new project location)
- New tax revenues will more than cover the estimated state aid gap

Revenues to School District with Project				Without Project
Year	TIF Tax Revenues	Voluntary Payments	Total Revenues	
2013	\$ 14,919	\$ 200,000	\$ 214,919	\$ 14,919
2014	\$ 14,919	\$ 200,000	\$ 214,919	\$ 15,143
2015	\$ 200,096	\$ 200,000	\$ 400,096	\$ 15,370
2016	\$ 395,439	\$ -	\$ 395,439	\$ 15,601
2017	\$ 401,214	\$ -	\$ 401,214	\$ 15,835
2018	\$ 407,075	\$ -	\$ 407,075	\$ 16,072
2019	\$ 413,025	\$ -	\$ 413,025	\$ 16,313
2020	\$ 419,063	\$ -	\$ 419,063	\$ 16,558
2021	\$ 425,193	\$ -	\$ 425,193	\$ 16,807
2022	\$ 431,414	\$ -	\$ 431,414	\$ 17,059
2023	\$ 437,728	\$ -	\$ 437,728	\$ 17,315
2024	\$ 444,138	\$ -	\$ 444,138	\$ 17,574
2025	\$ 450,643	\$ -	\$ 450,643	\$ 17,838
2026	\$ 457,246	\$ -	\$ 457,246	\$ 18,105
2027	\$ 463,948	\$ -	\$ 463,948	\$ 18,377
2028	\$ 470,751	\$ -	\$ 470,751	\$ 18,653
2029	\$ 477,655	\$ -	\$ 477,655	\$ 18,932
2030	\$ 484,664	\$ -	\$ 484,664	\$ 19,216
2031	\$ 491,777	\$ -	\$ 491,777	\$ 19,505
2032	\$ 498,997	\$ -	\$ 498,997	\$ 19,797
2033	\$ 1,652,939	\$ -	\$ 1,652,939	\$ 20,094
2034	\$ 1,677,733	\$ -	\$ 1,677,733	\$ 20,396
2035	\$ 1,702,899	\$ -	\$ 1,702,899	\$ 20,702
2036	\$ 1,728,442	\$ -	\$ 1,297,103	\$ 21,012
2037	\$ 1,754,369	\$ -	\$ 1,316,559	\$ 21,327
<b>TOTAL</b>			<b>\$ 16,047,136</b>	<b>\$ 448,521</b>

For this Project, an estimated \$12 million TIF loan will likely be issued and will be repaid through property taxes over a 20 year period. Seventy percent of all new and increased property taxes paid to the school district will be used to finance the loan and all of the new increased property taxes levied by the county and the township will be applied to servicing the loan. The taxing jurisdictions are not under any obligation for the loan, and this will not adversely impact the County, Township or School District's credit or ability to borrow funds in the future. Due to the increased tax revenues, it will likely increase the School District's ability to borrow funds.

JCI will use the proceeds of the TIF to pay for eligible project costs associated with preparing the Stonebridge Business Park for the Test Lab. For example, because the Project will use a large amount of electric power, improvements to the regional electric utility infrastructure will need to be made. Additional uses include bringing the power from the transmission lines to the site, building an electric substation and even grading and leveling the site.

Additionally, proceeds of the TIF will be used to cover the taxing jurisdiction's legal and administrative costs associated with initiating and managing the TIF.

#### **IV. BOUNDARIES OF THE STONEBRIDGE TIF DISTRICT**

The proposed TIF District will encompass the following tax parcels:

32000CJ00380000000

32000CJ00390000000

32000CJ0039C000000

#### **V. EXISTING ZONING, CURRENT USES, PROPOSED LAND USES AND PROPOSED LOCATION OF PUBLIC WORKS AND IMPROVEMENTS**

The Stonebridge TIF District is located within an Industrial zoned area and is currently vacant save for some real property located on Parcel 32000CJ0039C000000. The maps in Exhibits III, IV, and V show the current and proposed zoning and uses of the parcels as well as the location of the proposed public works and improvements.

#### **VI. PROPOSED TIF PROJECT, IMPROVEMENTS AND PROJECT COSTS**

JCI will invest one hundred and forty eight million (\$148,000,000) to establish their North American Test Lab. Below is a high level project budget for the overall project.

<b>PROJECT BUDGET</b>	
Test Lab Equipment	\$ 75,000,000
Test Lab Building	\$ 38,000,000
Global Engineering Center	\$ 15,000,000
Land Acquisition	\$ 5,000,000
Infrastructure	\$ 15,000,000
<b>TOTAL</b>	<b>\$ 148,000,000</b>

#### **Eligible Project Costs:**

Eligible Project Costs include expenditures made or estimated to be made or monetary obligations incurred or estimated to be incurred which are listed in this Plan as costs of public works or improvements or commercial or industrial development or revitalization within a tax increment district, plus any costs incident there. Eligible Project Costs include, but are not limited to, the following items:

1. Capital costs, including actual costs of the construction of public works or improvements or commercial or industrial development or revitalization, new buildings, structures and fixtures; the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures or fixtures; the acquisition, upgrade or rehabilitation of machinery and equipment; and the acquisition, clearing and grading of land. Capital costs also include the actual cost of construction, rehabilitation or repair of publicly owned infrastructure improvements located outside the boundaries of the TIF District which are of direct benefit to the Project.
2. Financing costs, including all costs of issuance of tax increment bonds or notes, reserve funds for tax increment bonds or notes, all interest paid to holders of evidences of indebtedness issued to pay for

project costs, and any premium paid over the principal amount thereof because of the redemption of such obligations prior to maturity.

3. Real property assembly costs, meaning any deficit incurred resulting from the sale or lease as lessor by the authority of real property within the TIF District for consideration which is less than its cost to the Authority.
4. Professional service costs, including those costs incurred for architectural, planning, engineering, financing and legal advice and services.
5. Administrative costs, including reasonable charges for the time spent by employees of a municipality or an authority in connection with the implementation of the Project.
6. Relocation costs.
7. Organizational costs, including the costs of conducting environmental impact and other studies and the costs of informing the public with respect to the creation of the TIF District and the implementation of the Project.
8. Costs which are found to be necessary or convenient to the creation of the TIF District or the implementation of the Project, or for reimbursement of prior expenditures made for any of the costs under this definition of Eligible Project Costs.

It is anticipated that the following Eligible Project Costs will be funded in whole, or in part, by the proceeds of the proposed tax increment financing of the District (all costs shown are current estimates provided by the Project developer; however, proceeds of tax increment obligations issued in connection with the TIF District may be applied to any Eligible Project Cost at the discretion of the Developer). A number of line item costs reflect off-site public infrastructure that will directly benefit the Project. These investments include improvements to the community's waste water system and the utility infrastructure.



TIF Funded Items								
Infrastructural Costs								
Item	On Site				Off Site			
	Quantity	Unit	Unit Cost	Total	Quantity	Unit	Unit Cost	Total
Water Line Extension	1	LS	\$200,000	\$200,000	1	LS	\$250,000	\$250,000
Water Treatment Plant (On site for process water treatment & off site upgrades by	1	EA	\$1,000,000	\$1,000,000	1	LS	\$300,000	\$300,000
Sanitary Sewer Line Extension	700	LF	\$80	\$56,000	300	LF	\$80	\$24,000
Storm Sewer	1	LS	\$200,000	\$200,000				
Electrical Extension, 115 KV Line (Does not include utility upgrade)	0		\$0	\$0	1		\$500,000	\$500,000
Easements for Electrical Extension					1		\$500,000	\$500,000
Electrical Sub-station	1	EA	\$3,500,000	\$3,500,000				
Natural Gas Line	700	LF	\$120	\$84,000	500	LF	\$0	\$0
Fiber Optic Line Extension (copper or fiber cabling, microwave, infrastructure, etc.)	700	LF	\$100	\$70,000	1		\$300,000	\$300,000
Rough Grading - Cut & Fill	370370	CUYD	\$4.25	\$1,574,073	Sub Total		\$1,874,000	
Retaining Walls	1		\$750,000	\$750,000				
Parking	560	EA	\$2,000	\$1,120,000				
Loop Roadway, Fire Truck Access	3200	LF	\$200	\$640,000				
Detention Pond	1	EA	\$250,000	\$250,000				
Secondary Access	700	LF	\$200	\$140,000				
Fire Loop and Hydrants	3200	LF	\$60	\$192,000				
			Sub Total	\$9,776,073				
All Administrative Costs								
Legal & Administrative Fees	1	LS	\$325,000	\$325,000				
Design Fees	1	LS	\$3,700,000	\$3,700,000				
Permitting	1	LS	\$100,000	\$100,000				
Closing Fees	1	LS	\$180,000	\$180,000				
			Sub Total	\$4,305,000				
				GRAND TOTAL	\$15,955,073			

\*Please note: the exact location of such public improvements will be determined by the public or municipal utility providing such services.

#### Estimated Non-Project Costs:

Costs, other than those described above, e.g. the costs of acquiring machinery and equipment, costs of building construction and site acquisition will be funded from other sources including, but not limited to, private bank financing and the proceeds of other financing arranged by the developer of the project.

This Plan contemplates that JCI will enter into all necessary design, development and construction contracts and seek reimbursement from the Authority for its Eligible Project Costs.

#### VII. ECONOMIC FEASIBILITY OF THE PROJECT AND METHOD OF FINANCING

The Authority, with assistance from the Township, has researched and analyzed the economic feasibility of creating the TIF District, and has received professional input on the existing and future tax assessment of the parcels to be included in the TIF District. The York County Assessment Office has provided information on the future (after construction takes place) tax assessments.

Various calculations and projections have been made to establish a basis for determining the available future cash flow from real property tax increments in the TIF District and, thus, the economic feasibility of the project and the ability of the Authority to service the proposed tax increment financing debt. It should be understood that the Project is the cornerstone of the analysis and is alone used to determine the economic feasibility of the project and the amount of tax increment cash flow which will be available to service the proposed tax increment note or bond.

Note: All assessment figures, millage rates, taxes and other calculations in this Project Plan are based on current rates and formulas with an annual increase of one point five percent (1.5%) which may change over the term of the tax increment financing.

**Current Millage and Participation Rates:**

The chart below shows the current millage rates as of October, 2012 and the proposed TIF participation rates of each of the taxing jurisdictions. This TIF Plan proposes that the Township and the County agree to allocate 100% of their incremental real property tax revenues in the TIF District to the Issuing Authority and that the School District agrees to allocate 70% of their incremental real property tax revenues in the TIF District to the Issuing Authority. These allocation rates will not change over the course of the TIF District even as the millage rates and property assessments may change.

<b>Taxing Body</b>	<b>Current Mills</b>	<b>TIF Mills</b>	<b>TIF Participation Rate</b>
The County of York	4.1500	4.1500	100%
Hopewell Township	0.2100	0.2100	100%
South Eastern School District	21.2055	14.8439	70%
<b>TOTAL</b>	<b>25.5655</b>	<b>19.2039</b>	

**Current Assessment of Properties in the TIF District:**

The following is the assessed value of real estate and real property in the proposed TIF District as of October, 2012:

<b>Parcel ID</b>	<b>Assessed Land Value</b>	<b>Assessed Building Value</b>
32000CJ00380000000	\$ 322,990	
32000CJ0039C000000	\$ 75,400	\$ 81,520
32000CJ00390000000	\$ 223,650	

**TOTAL \$ 703,560**

**Projected Assessed Values of Real Property and Estimated Annual Tax Increment Revenues from Real Property in the TIF District:**

Following are the current assessment on the parcels in the TIF District, the total assessments after improvements by the Developer and the incremental assessment. The incremental assessment is calculated by subtracting the current assessment from the total assessment. This incremental assessment is used to determine the tax revenues for the TIF District. As further expansions might occur in the TIF District, real estate tax millage rates change or assessments change, the incremental assessments will also change (i.e. increase or decrease).

<b>Assessments</b>		
<b>Current</b>	<b>Future</b>	<b>Increased Increment</b>
\$ 703,560	\$ 60,831,000	\$ 60,127,440

The available tax revenues are calculated by multiplying the tax incremental assessments (provided above) by the TIF millage rates, as follows:

<b>Project TIF Revenues</b>	
Increased Assessment Increment	\$ 60,127,440
TIF Mills (School/County/Township)	19.20385
Avg Annual Tax Revenues to Project	\$ 1,154,678

<b>Project School District Revenues</b>	
Increased Assessment Increment	\$ 60,127,440
School District Mills	6.36165
Avg Annual Tax Revenues to School District	\$ 382,510

**Projected Tax Increment Financing Debt Service:**

The estimated annualized sources of funds for debt service of the proposed tax increment financing of the District is shown in the chart below along with the estimated tax revenues for each taxing jurisdiction. The projected annual debt service on the proposed financing does not exceed the estimated annual incremental tax revenues as projected above.

<b>Tax Year</b>	<b>TIF Proceeds to Debt Service</b>	<b>Revenues to Taxing Jurisdictions</b>			
		<b>County</b>	<b>Township</b>	<b>School</b>	<b>TOTAL TAX REVENUES</b>
2013	\$ -	\$ 2,920	\$ 148	\$ 214,919	\$ 217,987
2014	\$ -	\$ 2,920	\$ 148	\$ 400,096	\$ 403,164
2015	\$ 429,368	\$ 2,920	\$ 148	\$ 395,439	\$ 398,506
2016	\$ 1,148,670	\$ 2,920	\$ 148	\$ 401,214	\$ 404,281
2017	\$ 1,166,103	\$ 2,920	\$ 148	\$ 407,075	\$ 410,143
2018	\$ 1,183,797	\$ 2,920	\$ 148	\$ 413,025	\$ 416,092
2019	\$ 1,201,757	\$ 2,920	\$ 148	\$ 419,063	\$ 422,131
2020	\$ 1,219,986	\$ 2,920	\$ 148	\$ 425,193	\$ 428,260
2021	\$ 1,238,488	\$ 2,920	\$ 148	\$ 431,414	\$ 434,481
2022	\$ 1,257,268	\$ 2,920	\$ 148	\$ 437,728	\$ 440,796
2023	\$ 1,276,330	\$ 2,920	\$ 148	\$ 444,138	\$ 447,205
2024	\$ 1,295,677	\$ 2,920	\$ 148	\$ 450,643	\$ 453,711
2025	\$ 1,315,315	\$ 2,920	\$ 148	\$ 457,246	\$ 460,314
2026	\$ 1,335,248	\$ 2,920	\$ 148	\$ 463,948	\$ 467,016
2027	\$ 1,355,479	\$ 2,920	\$ 148	\$ 470,751	\$ 473,818
2028	\$ 1,376,014	\$ 2,920	\$ 148	\$ 477,655	\$ 480,723
2029	\$ 1,396,857	\$ 2,920	\$ 148	\$ 484,664	\$ 487,731
2030	\$ 1,418,012	\$ 2,920	\$ 148	\$ 491,777	\$ 494,844
2031	\$ 1,439,485	\$ 2,920	\$ 148	\$ 498,997	\$ 502,064
2032	\$ 1,461,280	\$ 2,920	\$ 148	\$ 1,652,939	\$ 1,656,006
2033	\$ -	\$ 323,487	\$ 16,369	\$ 1,677,733	\$ 2,017,589
2034	\$ -	\$ 328,339	\$ 16,615	\$ 1,702,899	\$ 2,047,852
2035	\$ -	\$ 333,264	\$ 16,864	\$ 1,297,103	\$ 1,647,231
2036	\$ -	\$ 338,263	\$ 17,117	\$ 1,316,559	\$ 1,671,939
2037	\$ -	\$ 343,337	\$ 17,374	\$ 16,047,136	\$ 16,407,847
<b>TOTAL</b>					<b>\$ 33,691,732</b>

**Method and Timing of Financing:**

The TIF Act provides that payment of the costs of a tax increment financing district project may be made by any of the following methods or combination thereof: (1) payment out of the municipality's general funds (2) payment out of the proceeds of the sale of tax increment bonds or notes, and (3) payment as otherwise permitted by law. The TIF Act further provides that the governing body of the municipality may also allow project cost payments to be made in full at such time as the costs accrue, thus allowing the tax increment district project to be all or partially funded on a pay-as-you go basis.

This plan proposes that the method of financing for all proposed improvements to be funded by the TIF District shall be the issuance of tax increment bonds or notes with a term not to exceed 20 years. It is anticipated that such obligations will be purchased through a private placement process with JCI directly or a qualified financial institution or an institutional investor as soon as practical following creation of the TIF District. Costs of the improvements and fees to be funded by the TIF District will be incurred by the Developer as work on the Project progresses, but the tax increment bonds or notes will be issued and sold, and proceeds made available to pay such costs, or to reimburse the Developer for such costs, in whole or in part.

**Timing of Related Costs and/or Monetary Obligations:**

For a description of the time when related costs or monetary obligations are to be incurred, please see the estimated construction schedule that is attached as Exhibit VI.

**VIII. PROPOSED CHANGES IN ORDINANCES, CODES AND PLANS**

The proposed Stonebridge Project and the creation of the TIF District do not require changes in any zoning ordinance, master plan, map, building code or ordinance.

**IX. PROPOSED METHOD FOR RELOCATION OF DISPLACED PERSONS**

All properties located with the Stonebridge TIF District are vacant lots; no families, persons or businesses will be displaced temporarily or permanently from housing or commercial facilities in the project area as a result of the implementation of this Project Plan and the Project.

## **EXHIBIT I**

### **SUMMARY OF PENNSYLVANIA TAX INCREMENT LAW AND PROCESS**

The Tax Increment Financing Act (Act 113 of 1990, as amended, 53 P.S. §6930.1, et seq.) (hereinafter referred to as the “TIF Act”) provides for the creation of tax increment districts by municipalities in order to provide new employment opportunities, to prevent, arrest and alleviate blighted, decayed and substandard areas in municipalities, to increase the tax base and to improve the general economy of the Commonwealth. The purpose of the TIF Act is to provide additional and alternative means to finance public facilities and residential, commercial and industrial development and revitalization, all to the public benefit and good.

The TIF Act requires a redevelopment authority or an industrial and commercial development authority proposing the creation of a tax increment district to make a formal presentation to the governing bodies of all municipalities and school districts which levy property taxes within the area in which the proposed tax increment district will be located. Such presentation is to include a description of the proposed boundaries of the tax increment district, the tentative plans for the development or redevelopment of the district, and an estimate of the general impact of the proposed district on property values and tax revenues. Each affected municipality and school district is to designate a representative to meet with the authority to discuss the project plan and tax increment financing. After meeting with the designated representatives, the authority shall recommend the boundaries of the tax increment district to be created, submit the recommendation to the municipality that will create the district, and prepare a project plan for submission to the governing body of that municipality and to the governing bodies of any other municipality or school district that levies property taxes within the boundaries of the proposed district. The project plan shall include the following components:

- A statement listing the proposed public or private improvements within the district
- An economic feasibility study of the project and the fiscal effects on the municipal tax base
- A detailed list of estimated project costs
- A description of the methods of financing all estimated project costs and the time when related costs or monetary obligations are to be incurred.
- A map showing existing uses and conditions of real property in the tax increment district
- A map showing proposed improvements and uses therein.
- Proposed changes of any zoning ordinance, master plan, map, building code or ordinance
- A list of estimated non-project costs
- A statement of the proposed method for the relocation of families, persons and businesses to be temporarily or permanently displaced by implementation of the plan, if necessary.

The municipality which will create the tax increment district is required to hold one public hearing to afford interested parties the opportunity to express their views on the concept of tax increment financing, on the

proposed creation of the tax increment district and its proposed boundaries and on the proposed adoption of a project plan for the district and the benefits to the municipality.

In order to create a tax increment district and adopt a project plan, the governing body of the municipality which will create the tax increment district shall adopt, not earlier than three weeks after the public hearing, a resolution or ordinance which;

- Describes the boundaries of the tax increment district:
- Creates the tax increment district as of a given date
- Assigns a name to the tax increment district
- Contains findings that the tax increment district is a contiguous geographic area within a redevelopment area; the improvement of the area is likely to enhance significantly the value of substantially all other real property in the tax increment district; the aggregate value of equalized taxable property of the tax increment district, plus all existing tax increment districts, does not exceed 10% of the total value of equalized taxable property within the municipality; the area comprising the tax increment district as a whole has not been subject to adequate growth and development through investment by private enterprise or would not reasonably be anticipated to be adequately developed or further developed without the adoption of the project plan; a feasible method exists for the compensation of individuals, families and small business that will be displaced by the project (if any) and for their relocation without undue hardship; the project plan conforms to the municipal or county master plan, if any; the project plan will afford maximum opportunity for the rehabilitation or redevelopment of the tax increment district by private enterprise; and the tax increment district is a blighted area containing characteristics of blight as described in the Pennsylvania Urban Redevelopment Law and the project to be undertaken is necessary to eliminate such conditions of blight.

The governing body of a municipality (including a county) or school district that levies property taxes within the boundaries of the proposed tax increment district shall, by ordinance or resolution, agree to participate or opt not to participate in whole or in part in the tax increment district. A copy of such ordinance or resolution shall be delivered to the municipality which will create the tax increment district on or before to the date on which the public hearing described above will be held.

Positive tax increments of a tax increment district shall be allocated to the authority that issues tax increment bonds or notes for the tax increment district (which may be a redevelopment authority, a municipal authority or an industrial and commercial development authority) (the "Issuing Authority") for each year from the date as of which the tax increment district is created until such time, after the completion of all improvements specified in the project plan and any amendments thereto, when the Issuing Authority has received aggregate tax increments of the tax increment district in an amount equal to the aggregate of all expenditures made or monetary obligations incurred for project costs, including the payment of tax increment bonds or notes.

The finance officer for the municipality which created the tax increment district and the finance officer for any municipality (including any county) or school district which participates in the tax increment district shall, on the next settlement date provided by law, pay over to the Issuing Authority, out of all taxes which have been collected on properties located within the tax increment district, that portion which represents the tax increment allocable to the Issuing Authority. All tax increments received by the Issuing Authority shall be deposited into the tax increment fund for the tax increment district. Moneys deposited into the tax increment fund may be disbursed to pay tax increment district project costs or debt service on tax increment bonds notes issued for the tax increment district.

The existence of the tax increment district shall terminate when either of the following occurs:

- Positive tax increments are no longer allocable to the tax increment district
- The governing body of the municipality which created the tax increment district,  
  
by resolution, dissolves the tax increment district, but the tax increment district may not be dissolved so as long as tax increment bonds or notes for the tax increment district remain outstanding.

The tax increment project proposed herein (the “Project”) consists of funding a portion of the costs of the acquisition and construction of commercial and industrial facilities by Johnson Controls, or an affiliate thereof (collectively, the “Developer”), in an area of the Township and Southern York County known as the “Stonebridge Business Park,” and costs related to the creation of the TIF District and the issuance of bonds or notes issued by the Authority in connection therewith.

This Project Plan further contemplates that the Township and the County and the School District will allocate to the Issuing Authority a specified portion of only the incremental real property tax revenues and payments in lieu of real property taxes assigned to or agreed to be paid by governmental entities or nonprofit organizations with property situate in the District (the taxing bodies will not allocate to the District any portion of any incremental tax revenues resulting from (1) an increase in total taxable sales and rentals of tangible personal property and in the rendition of taxable services by vendors located in the District, where any sales tax is levied, or (2) an increase in total gross receipts or gross or net profits or income realized by persons or entities from business conducted in the District, where a tax on such receipts, profits or income is levied).

## EXHIBIT II

### Resolutions and Documentation of Jurisdictions Appointing Representatives to the TIF Committee

September 20, 2012

#### I. CALL TO ORDER/OPENING EXERCISES

A regularly scheduled meeting of the Board of School Directors of South Eastern School District was held Thursday, September 20, 2012, in the Community Room of the Administration Building. An Executive Session for Personnel, Confidential and Privileged Information was held from 6:30 – 7:33 p.m. The board meeting was called to order at 7:35 p.m. by President Jennifer Tobias.

#### II. ROLL CALL

##### Roll Call Attendance:

Jennifer Tobias, President  
Anna P. Bickford, Vice President  
Mary Hyson  
Jane Mueller  
Traci L. Stauffer  
Karrie V. Strickland  
Robert Taylor  
Russell Towson  
Tonia Wright

##### Others in Attendance:

Dr. Rona C. Kaufmann, Superintendent  
Dr. Leslie Trimmer, Assistant Superintendent  
Paula K. Denton, Business Manager/Board Secretary  
Mary P. Childress, Asst. Business Manager/Board Treasurer  
Joseph Terch, SEMS-East Principal  
Jennifer Herman, Fawn Area Principal  
Sandra Ness, Supervisor of Special Education Services  
Brooke Say, Solicitor  
Susan Gibbs  
Martha Gemmill  
Richard Meinl  
Kim Smith  
Dina Spangenberger  
Susan Ester  
Alex Dickson  
Joyce Marburger  
Carl Wright  
Jim Craley  
Jeanne Craley  
Susan Miller  
Jeff Halterman  
Sandra Walsh  
Ruth Ann Robinson  
Shirley Coughenowr  
Scott Taylor  
Hogan Strickland  
Jamie McCune



**XIV. BUSINESS OPERATIONS**

- A.** It is recommended that the Board ratify the Letter of Agreement for Adams-Hanover Counseling Services and the South Eastern School District for the 2012-2013 school year.
- B.** It is reported that there was a savings of \$517.67 for Demand Response for the month of July 2012 from the Hess Company.
- C.** It is reported that on August 15, 2012, Worden and Shewell completed an emergency replacement of the walk-in refrigerator at Fawn Area Elementary School for \$6,560.00. (Capital Projects)
- D.** It is recommended that Laurel Fuhrman be designated as the authorized representative to the Lincoln Intermediate Unit 12 Joint Purchasing Board and Mary Childress as alternate, in accordance with the Joint Purchasing agreement that was approved by the South Eastern Board of Directors on May 21, 2009.
- E.** It is recommended that the agreement between New Story, located at, 555 Ryan Run, Suite 201, York, Pennsylvania, and the South Eastern School District for Education Services for two special education students for a period commencing August 23, 2012 and terminating on June 5, 2013 or end of 2012-2013 school year calendar, be approved. The estimated total cost for the special education classroom program and related services is \$42,590 and \$44,665, respectively.
- F.** It is recommended that due to impending retirement, Mrs. Paula Denton be removed as Trustee #1 for Lincoln Benefit Trust and Mrs. Laurel Fuhrman be added as Trustee #1 effective September 21, 2012.
- G.** Recommend approval of Dr. Rona Kaufmann serving as the representative for South Eastern School District on a Tax Increment Financing (TIF) Planning Committee for a Real Estate Development project.
- H.** Recommend approval to procure indoor athletic uniforms from Sportsman's Supply for \$4,219.48. (Capital Projects-reservation for Athletic uniforms)
- I.** Recommend approval for the South Eastern School District to reserve 12 seats at a cost of \$48,000 for the 2012-2013 school year at York Adams Academy
- J.** Health Insurance Portability and Accountability Act (HIPAA)  
Recommend approval of the following personnel with access to protected health information: Payroll Clerk - Jeanne Craley.
- K.** Recommend sending Dr. Trimmer and staff to the Learning Forward annual conference in Boston, MA on Dec. 2-5, 2012 using Title II grant funds.

Susan Miller- Why are the fifth graders not going to Biztown? (The curriculum has changed, it is for 6<sup>th</sup> graders so this year no one will attend. Next year all 6<sup>th</sup> graders will attend.)

Our cyber school is going very well and continues to grow.

Dr. Bickford congratulated Mrs. Ester on receiving the Target grant. She appreciated her hard work. Mrs. Ester thanked the board for passing the grant so quickly so she can begin as soon as possible. In order to get the grant, she had to open it up to parents. She will open it up to parents one evening a month.

**XX. ADJOURNMENT**

On a motion by Mrs. Hyson seconded by Mrs. Wright, the meeting was adjourned at 8:34 p.m. by voice vote, all in favor.

An Executive Session for Personnel, Confidential and Privileged Information was held from 8:45 p.m. to 9:30 p.m.

Respectfully submitted,

Paula K. Denton  
Board Secretary

**REDEVELOPMENT AUTHORITY OF THE COUNTY OF YORK**

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**RESOLUTION**

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WHEREAS, Redevelopment Authority of the County of York (the "Authority"), participated in a presentation to the South Eastern School District, Township of Hopewell and the County of York (the "Taxing Bodies"), Pennsylvania regarding the creation of a tax increment district in Stonebridge Business Park, located in Hopewell Township, York County, Pennsylvania to be known initially as the "Project Global Tax Increment District," all pursuant to the Tax Increment Financing Act, as amended, 53 P.S. §6930.1, et seq. (the "Act").

NOW, THEREFORE BE IT RESOLVED by the Board of this Authority that Austin Hunt is hereby designated pursuant to the Act as this Authority's representative to be appointed to the planning committee for purposes of discussing the contemplated tax increment financing district and related project plan for such tax increment financing district, and the Secretary of the Board of this Authority is hereby directed to notify the Taxing Bodies of the foregoing appointment and designation.

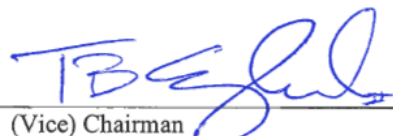
DULY ADOPTED this 5th day of September, 2012, by the Board of the Redevelopment Authority of the County of York in lawful session duly assembled.

**REDEVELOPMENT AUTHORITY OF  
THE COUNTY OF YORK,**

ATTEST:

  
\_\_\_\_\_  
Secretary

(SEAL)


By:   
\_\_\_\_\_  
(Vice) Chairman

## CERTIFICATE

I, the undersigned, Secretary of the Redevelopment Authority of the County of York (the "Authority"), certify that the foregoing Resolution was adopted by majority vote of the entire Board at a meeting convened and held according to law on September 5, 2012; said Resolution was adopted by an aye and nay vote; said Resolution and the vote thereon has been recorded in the minutes of said meeting; and said Resolution has not been altered, modified, amended or repealed as of the date of this Certificate.

I further certify that the Board met the advance notice requirements of the Sunshine Act, 65 Pa. C. S. §701, *et seq.*, by advertising the time and place of said meeting, by posting prominently a notice of said meeting at the administrative offices of the Authority or at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at such meeting prior to the adoption of said Resolution, all as required by such Act.

IN WITNESS WHEREOF, I affix my hand and the official seal of the Authority, this 5<sup>th</sup> day of September, 2012.

  
Assistant Secretary

(SEAL)

**HOPEWELL TOWNSHIP  
YORK COUNTY PA**

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**RESOLUTION #5-2012**

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WHEREAS, Hopewell Township (the "Township"), has participated in a presentation to the Southeastern School District, and the County of York (the "Taxing Bodies"), Pennsylvania regarding the creation of a tax increment district in Stonebridge Business Park, located in Hopewell Township, York County, Pennsylvania to be known initially as the "Project Global Tax Increment District," all pursuant to the Tax Increment Financing Act, as amended, 53 P.S. §6930.1, et seq. (the "Act").

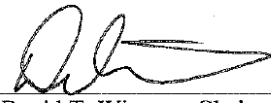
NOW, THEREFORE BE IT RESOLVED by the Board of Supervisors of this Township that SHANNON WOLF is hereby designated pursuant to the Act as this Township's representative to be appointed to the planning committee for purposes of discussing the contemplated tax increment financing district and related project plan for such tax increment financing district, and the Secretary of the Board of Supervisors of this Township is hereby directed to notify the Taxing Bodies of the foregoing appointment and designation.

DULY ADOPTED this 6th day of September, 2012, by the Board of Supervisors of Hopewell Township in lawful session duly assembled.

**HOPEWELL TOWNSHIP,**

ATTEST:

  
Secretary

By:   
David T. Wisnom, Chairman  
Board of Supervisors

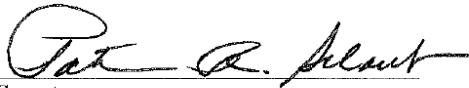
(SEAL)

## CERTIFICATE

I, the undersigned, Secretary of Hopewell Township (the "Township"), certify that the foregoing Resolution was adopted by majority vote of the entire Board of Supervisors at a meeting convened and held according to law on September 6, 2012; said Resolution was adopted by an aye and nay vote; said Resolution and the vote thereon has been recorded in the minutes of said meeting; and said Resolution has not been altered, modified, amended or repealed as of the date of this Certificate.

I further certify that the Board of Supervisors met the advance notice requirements of the Sunshine Act, 65 Pa. C. S. §701, *et seq.*, by advertising the time and place of said meeting, by posting prominently a notice of said meeting at the administrative offices of the Township or at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at such meeting prior to the adoption of said Resolution, all as required by such Act.

IN WITNESS WHEREOF, I affix my hand and the official seal of the Township, this 6<sup>th</sup> day of September, 2012.

  
Secretary

(SEAL)

## THE COUNTY OF YORK

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### RESOLUTION 2012-11

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WHEREAS, The County of York (the "County"), participated in a presentation to the South Eastern School District and the Township of Hopewell (the "Taxing Bodies"), Pennsylvania regarding the creation of a tax increment district in Stonebridge Business Park, located in Hopewell Township, York County, Pennsylvania to be known initially as the "Project Global Tax Increment District," all pursuant to the Tax Increment Financing Act, as amended, 53 P.S. §6930.1, et seq. (the "Act").

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners that Darrell Auterson, President & CEO of the York County Economic Alliance is hereby designated pursuant to the Act as the County's representative to be appointed to the planning committee for purposes of discussing the contemplated tax increment financing district and related project plan for such tax increment financing district, and the Administrator/Chief Clerk is hereby directed to notify the Taxing Bodies of the foregoing appointment and designation.

DULY ADOPTED this 12<sup>th</sup> day of September, 2012, by the Board of Commissioners of the County of York in lawful session duly assembled.

THE COUNTY OF YORK,

ATTEST:

  
\_\_\_\_\_  
Administrator/Chief Clerk

By:

  
\_\_\_\_\_  
President Commissioner

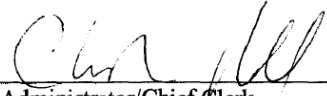
(SEAL)

## CERTIFICATE

I, the undersigned, Administrator/Chief Clerk of The County of York ("the County"), certify that the foregoing Resolution was adopted by majority vote of the entire Board at a meeting convened and held according to law on September 12, 2012; said Resolution was adopted by an aye and nay vote; said Resolution and the vote thereon has been recorded in the minutes of said meeting; and said Resolution has not been altered, modified, amended or repealed as of the date of this Certificate.

I further certify that the Board met the advance notice requirements of the Sunshine Act, 65 Pa. C. S. §701, *et seq.*, by advertising the time and place of said meeting, by posting prominently a notice of said meeting at the administrative offices of the County or at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at such meeting prior to the adoption of said Resolution, all as required by such Act.

IN WITNESS WHEREOF, I affix my hand and the official seal of The County of York, this 12<sup>th</sup> day of September, 2012.

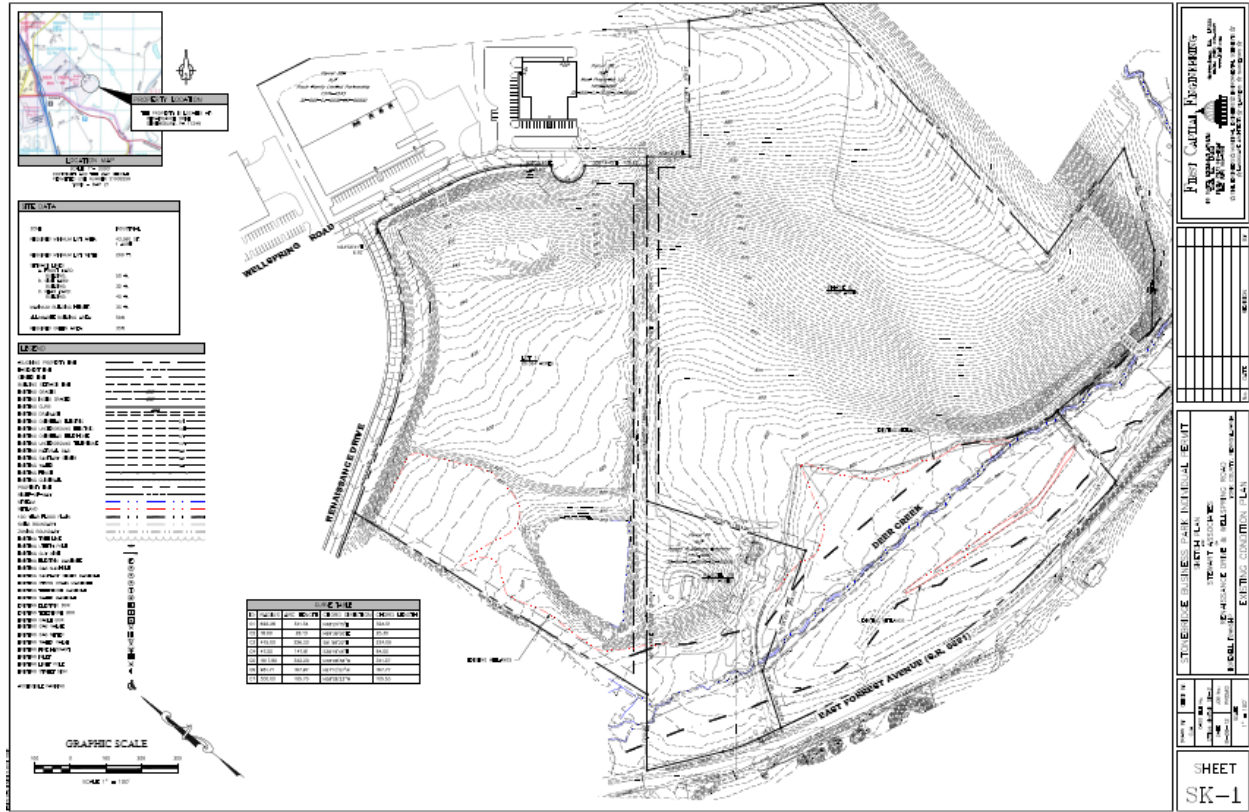
  
\_\_\_\_\_  
Administrator/Chief Clerk

(SEAL)

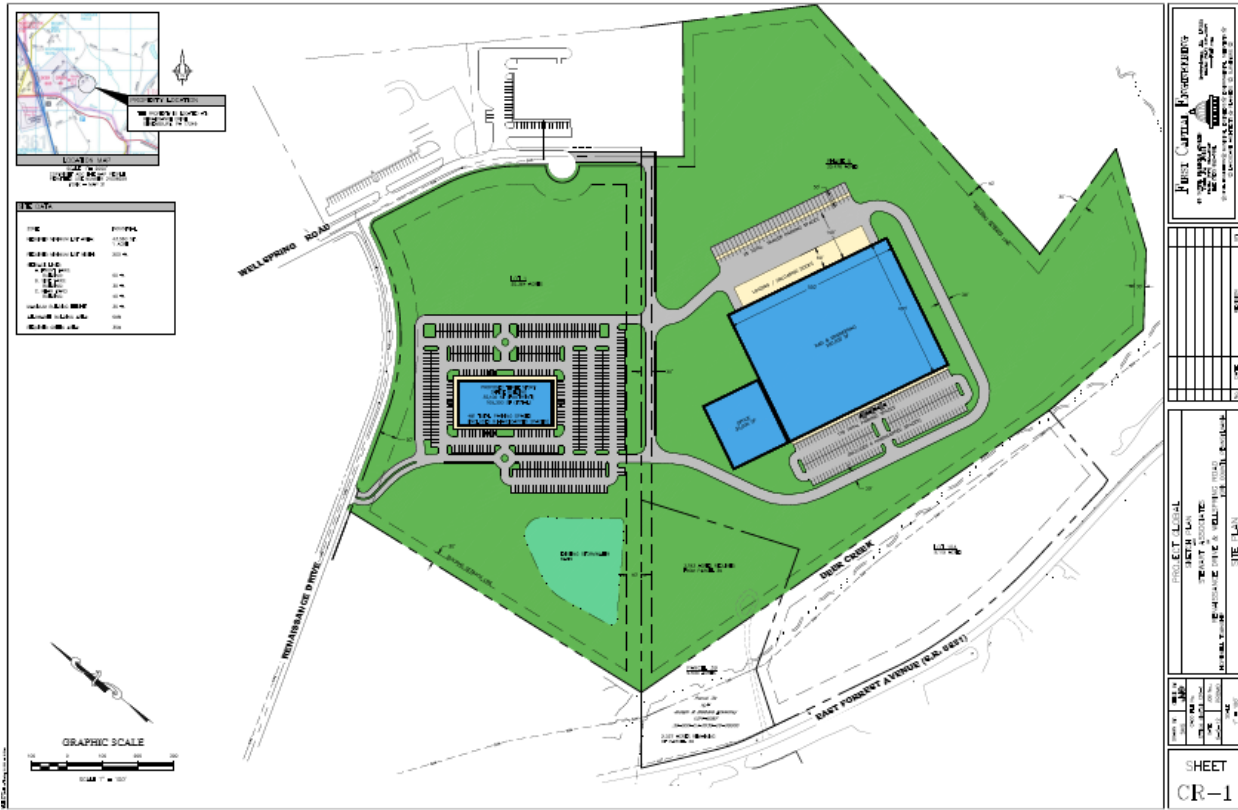


# EXHIBIT III

## MAP DETAILING THE CURRENT USE OF SITE



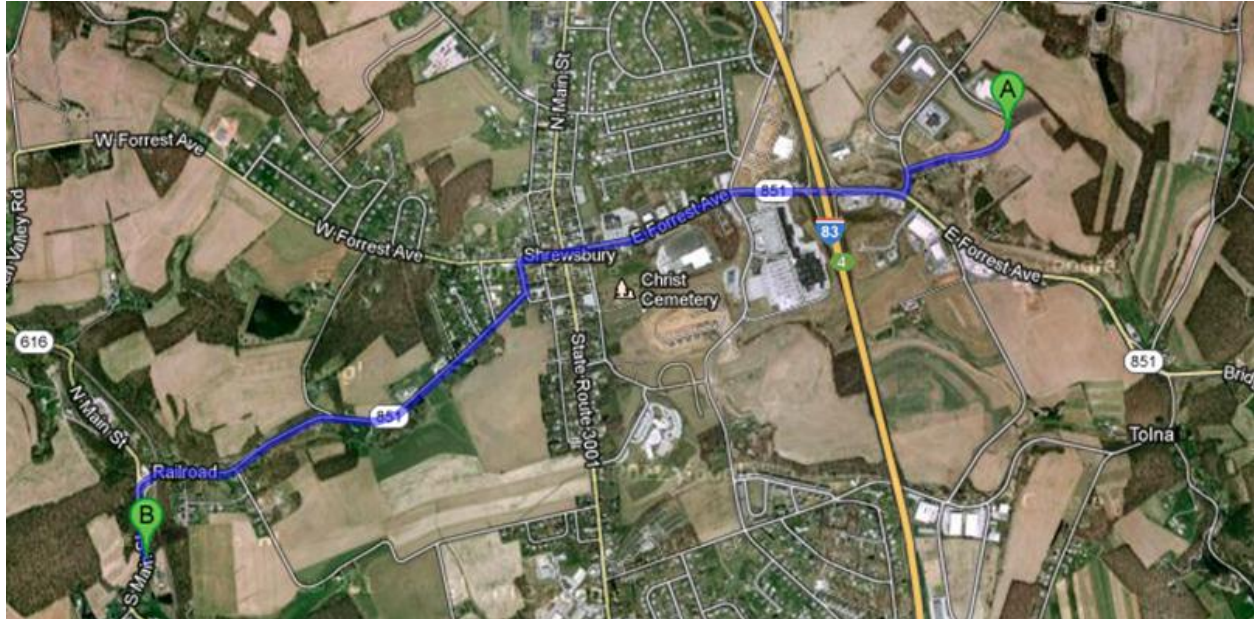
**EXHIBIT IV**  
**MAP OF PROPOSED USE OF SITE**



## EXHIBIT V

### LOCATION OF PROPOSED PUBLIC WORKS & IMPROVEMENTS

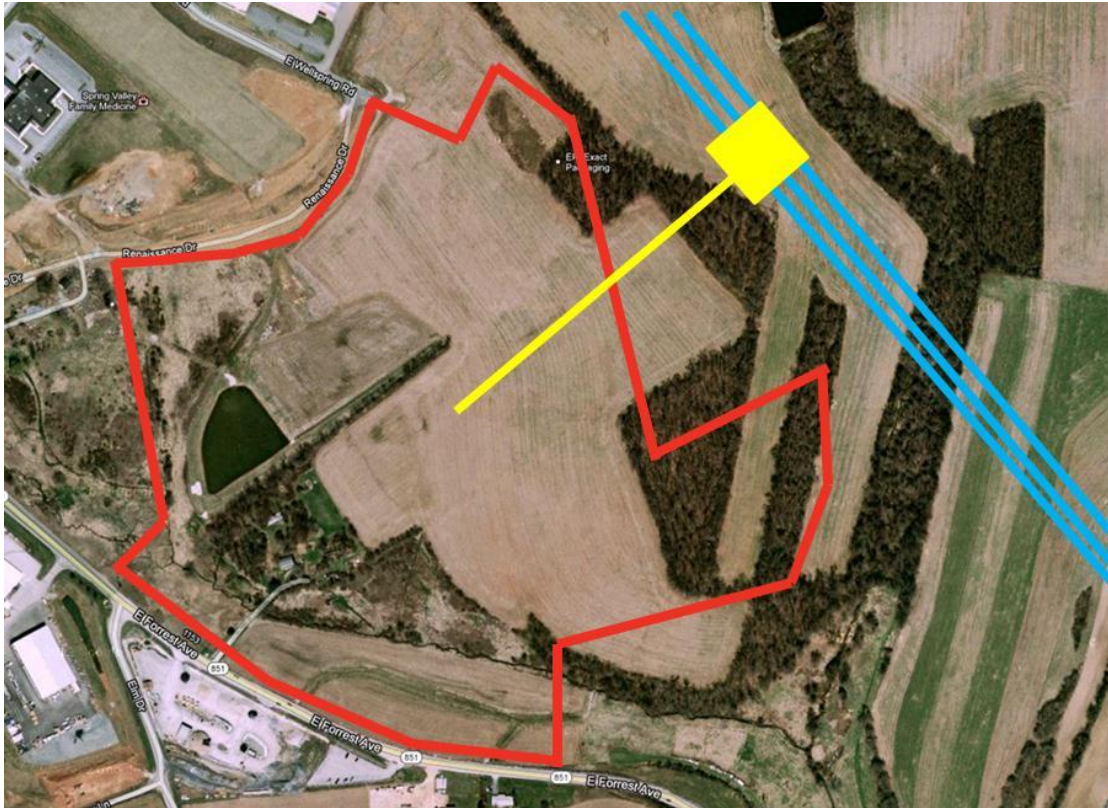
**Map 1: Estimated Route of Potential Off-Site Wastewater Improvements**



The route depicted in Map 1 above shows the approximate location of the three miles of wastewater lines that may need to be upgraded as a result of this project. Point “A” is the Stonebridge site and point “B” is the Railroad Borough wastewater plant.



**Map 2: Electric Utility Extensions and Improvements**



Map 2 above shows the boundaries of the Stonebridge Business Park in red, the 115KV transmission lines in blue and the approximate location and route of the 115KV extension to the site in yellow. Additional upgrades to the 115KV transmission line and utility infrastructure will likely need to be made. First Energy, the regional utility, is conducting an Initial Load Study to identify what upgrades are needed and where they will need to be located.

## EXHIBIT VI

### ESTIMATED CONSTRUCTION SCHEDULE

	FY13	FY14	FY15	FY16	FY17	FY18	Total
Lab Facility	\$ 8,249,000	\$ 16,060,000	\$ 8,949,800	\$ 4,144,958	\$ 438,000	\$ 219,000	\$ 38,060,758
Lab Equipment	\$ 4,100,000	\$ 17,000,000	\$ 18,000,000	\$ 19,625,000	\$ 13,525,000	\$ 3,000,000	\$ 75,250,000
Administration Building	\$ -	\$ 1,494,152	\$ 10,459,066	\$ 2,988,305	\$ -	\$ -	\$ 14,941,523
Infrastructure/Admin/Acquisition	\$ 8,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ -	\$ -	\$ 20,000,000
<b>TOTAL</b>	<b>\$ 20,349,000</b>	<b>\$ 38,554,152</b>	<b>\$ 41,408,866</b>	<b>\$ 30,758,263</b>	<b>\$ 13,963,000</b>	<b>\$ 3,219,000</b>	<b>\$ 148,252,281</b>

## EXHIBIT VII

# ECONOMIC IMPACT ANALYSIS

### BACKGROUND

Johnson Controls, Inc. ("JCI") is a global diversified technology and industrial company serving customers in more than 150 countries. JCI has 162,000 employees worldwide who create quality products, services and solutions to optimize energy and operational efficiencies of buildings; lead-acid automotive batteries and advanced batteries for hybrid and electric vehicles; and interior systems for automobiles.

Currently, JCI's Building Efficiency business unit is located at 631 South Richland Avenue, York, PA 17403, where it conducts research and development operations. Employees at this facility are highly skilled with scientific and technical backgrounds in engineering and related fields. The facility in York is antiquated and inefficient, causing operational challenges and costly inefficiencies for the business unit.

### PROJECT SUMMARY

JCI management is considering various operating plans for the facility in York, PA. One plan under consideration is to relocate the Building Efficiency business unit into a newly constructed building at a yet to be identified site in York County, PA. JCI is currently evaluating several sites in York County. Another plan being considered is to relocate the business unit to a new facility to be constructed at a site in Baltimore County, MD. Given that the two counties are adjacent to one another; either location would allow JCI to effectively retain a majority of its workforce, causing minimal interruptions to the business unit's operations.

### York County, PA

The current proposal for Pennsylvania is to build a new R&D facility in York County to facilitate the necessary modernization of the operations of the Building Efficiency business unit. This plan would result in the retention of 440 full-time jobs in York County and the state of Pennsylvania. The average annual salary of a retained JCI employee is approximately \$88,000 plus benefits (e.g., insurance, 401(k), vacation, etc.). This plan would require JCI to make a total capital investment of approximately \$130 million to construct and fit-out a new building. The current budget allocates approximately \$54 million for construction and \$76 million for new equipment, furniture, fixtures, etc.

### Summary of Key Estimated Impacts

Location	York County, PA	State of PA
<b>Total Estimated Project Costs</b>	\$130 million (\$54 mm building construction; \$76 mm new M&E)	
<b>Total Construction Jobs:</b>	<b>623</b>	<b>735</b>
Direct jobs	374	374
Indirect jobs	90	117

Induced jobs	159	244
<b>Total Construction Wages:</b>	<b>\$30,048,500</b>	<b>\$38,152,000</b>
Direct wages	\$20,088,700	\$20,088,700
Indirect wages	\$4,222,400	\$7,127,000
Induced wages	\$5,737,400	\$10,936,300
<b>Construction-period Total State/Local Taxes</b>	<b>\$2,914,500</b>	<b>\$4,006,300</b>
<b>Total Output, construction-period</b>	<b>\$82,369,200</b>	<b>\$104,038,000</b>
<b>Permanent Jobs:</b>	<b>924</b>	<b>1,049</b>
Direct jobs	440	440
Indirect jobs	139	153
Induced jobs	345	456
<b>Permanent Wages, annual:</b>	<b>\$56,049,800</b>	<b>\$66,739,000</b>
Direct wages	\$38,720,000	\$38,720,000
Indirect wages	\$4,886,800	\$7,616,300
Induced wages	\$12,443,000	\$20,402,700
<b>Total State/Local Taxes, annual</b>	<b>\$5,287,300</b>	<b>\$6,519,900</b>
<b>Total Indirect/Induced Output, annual</b>	<b>\$51,233,600</b>	<b>\$77,677,500</b>

## ECONOMIC AND FISCAL IMPACTS

The economic impacts of JCI's proposed projects were estimated by applying employment and investment projections of the Building Efficiency business unit to a model of the selected county and state economies, using the IMPLAN System – a widely accepted and used economic impact modeling system.

The proposed project would generate two levels of economic impacts: (1) **construction-period impacts** – this is the jobs and income created during the tenant build-out phase of the project and (2) **permanent impacts** – the annual impacts once the facility construction is completed and the company begins operating from the new facility. Spending within these levels generate additional economic activity (i.e. spending) including (1) purchases of goods and services from local suppliers and (2) spending by employee households. These are known as indirect and induced impacts respectively. This analysis considers direct, indirect and induced impacts that will be generated by the construction and on-going operation of the proposed project.

### Construction-period Impacts

Construction-period impacts – these are the jobs and income created during the construction phase of the project. They are one-time, non-recurring impacts. The proposed new building in York County, PA would require JCI to make a capital investment of approximately \$54 million to construct the building. Following are some of the construction-related economic impacts in York County, PA as a result of the proposed building construction:

**Table 1 – Estimated Construction-period Impacts**

	York County, PA	State of PA
<b>Total construction jobs:</b>	<b>623</b>	<b>735</b>
Direct construction jobs	374	374
Indirect construction jobs	90	117
Induced construction jobs	159	244
<b>Total construction payroll:</b>	<b>\$30,048,500</b>	<b>\$38,152,000</b>
Direct construction payroll	\$20,088,700	\$20,088,700
Indirect construction payroll	\$4,222,400	\$7,127,000
Induced construction payroll	\$5,737,400	\$10,936,300
<b>Total output supported by construction</b>	<b>\$82,369,200</b>	<b>\$104,038,000</b>
<b>Total State/Local Taxes</b>	<b>\$2,914,500</b>	<b>\$4,006,300</b>

### Permanent Annual Economic Impacts

Table 2 shows some of the on-going, annual economic impacts in York County, PA upon completion of JCI's proposed project.

**Table 2 – Estimated Permanent Annual Impacts**

	York County, PA	State of Pennsylvania
	Retained	Retained
<b>Total jobs:</b>	<b>924</b>	<b>1,049</b>
Direct jobs	440	440
Indirect jobs	139	153
Induced jobs	345	456
<b>Total wages (1,000's):</b>	<b>\$56,049.8</b>	<b>\$66,739.0</b>
Direct wages	\$38,720.0	\$38,720.0
Indirect wages	\$4,886.8	\$7,616.3
Induced wages	\$12,443.0	\$20,402.7
<b>Indirect/induced output generated (1,000's)</b>	<b>\$51,233.6</b>	<b>\$77,677.5</b>
<b>Total state/local tax revenue (1,000's)</b>	<b>\$5,287.3</b>	<b>\$6,519.9</b>

### Glossary of Terms



**Indirect Impacts** – these are the output, employment and income changes occurring in other businesses/industries in the community that supply goods and services to the project industry.

**Induced Impacts** – these are the effects of spending by households in the local economy as a result of the direct and indirect effects from an economic activity (i.e. project or event).

**Intermediate Expenditures** – these are goods and services (e.g., energy, raw materials, etc.) purchased by businesses in the study area that are used for the production of other goods and services (rather than for final consumption).

**Output** – this represents the value of industry production. For service sectors, production equals sales. For manufacturers, output would be sales plus/minus change in inventory. For retail and wholesale businesses, production would equal gross margin and not gross sales.